

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2293 - HB 2438

February 22, 2012

SUMMARY OF BILL: Removes the requirement that the county clerk of court must enter a bid, on behalf of the county, on property sold for delinquent county taxes when no other bids are made on the property.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – It is estimated that there will be an increase in local government revenue from the sale of delinquent tax property, however the amount of revenue collected could be less than what the county is owed in outstanding property taxes. The county could also see cost savings from no longer having liability on these properties. Due to a number of unknown factors, a precise net fiscal impact to local governments cannot be quantified.

Assumptions:

- Currently if no bid is made on a delinquent tax property, the county clerks of court are required to place a bid which includes the cost of what is owed the county for taxes, interest, and penalties.
- It is assumed that if county clerk bids on the property, the county will maintain liability until it is sold.
- It is assumed that by not requiring a county clerk of court to make this bid, the county could then accept bids that are lower than what is owed on the property.
- While accepting lower bids will not award the county all revenue owed in taxes, it will allow an opportunity for the county to realize at least a portion of what is owed while lowering the overall liability on county-owned properties.
- Due to many unknown factors, such as the number of properties that will be sold at lower costs, the difference between what is owed to the county and what is gained in the sale, and the savings to the county by relinquishing liability, the net fiscal impact to local governments cannot be reasonably quantified.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh